

Meeting Minutes
RAPPAHANNOCK ELECTRIC COOPERATIVE
ANNUAL MEETING OF MEMBERS

Wednesday, August 20, 2025

The Annual Meeting of the members of Rappahannock Electric Cooperative (REC or Cooperative) was held virtually on Wednesday, August 20, 2025, with recording occurring at the Fredericksburg office located at 247 Industrial Court, Fredericksburg, Virginia. The meeting was recorded and livestreamed for members. At 7:00 p.m., Chairman Christopher G. Shipe called the meeting to order and welcomed Cooperative members and invited guests.

Chairman Shipe called on Region IX Director, Eugene L. Campbell, Jr., who led a memorial of silence in honor of those in our cooperative family that had passed away within the past year followed by the meeting invocation and Pledge of Allegiance.

Chairman Shipe introduced the Board of Directors and Officers for the Cooperative. He shared information and a video highlighting REC's Power of Change program. He then called upon REC Attorney Charles W. Payne, Jr., to act as moderator and parliamentarian for the remainder of the meeting. Mr. Payne reviewed the meeting agenda, which is derived from the Bylaws, and the parliamentary processes that are followed.

Attorney Payne called upon Secretary J. Mark Wood for the Secretary's Report. Mr. Wood stated that Proxies were mailed to one hundred fifty-four thousand, six hundred seventy two (154,672) active accounts beginning on July 1, 2025, and whereas 28 members are participating remotely, and 17,284 members represented by their proxies, the quorum requirement of the Bylaws that two and one-half (2 ½) percent, three thousand eight hundred sixty seven (3,867) of the members be present in person or by proxy, had been satisfied.

Mr. Wood then read the Official Notice of the Meeting and advised that the notice of the Annual Meeting had been included in the mailing of the registration and proxy cards to all members in July, via direct mail. Additional announcements were included with the electric service bills.

Mr. Wood noted that the parliamentarian stated that having received no questions, edits, or additions to the 2024 Annual Meeting minutes posted on the website on August 15, 2025 that the reading of the minutes was not necessary. Mr. Wood noted that copies of the 2024 Minutes remain available on the website if members wish to have a copy.

Mr. Payne then proceeded with the election of directors and reviewed the Bylaws that govern the elections. There are currently nine (9) directors serving on the Board, one member from each of the Cooperative's geographic regions. These regions exist to ensure that members in all geographic areas of the cooperative are equally represented on

the Board. Directors are elected by the entire membership and members vote for all open director positions on the ballot, which are Regions I (1), VI (6), and VII (7) in 2025.

The candidates in the 2025 Board of Director Elections were then introduced by Mr. Payne:

Region I Incumbent, Michael W. Lindsay

Region VI Incumbent, Linda R. Gray
Mack Wright

Region VII Incumbent, J. Mark Wood

Mr. Payne explained that the election was handled by a third-party vendor to oversee the election process and certify the election is conducted fairly and impartially. He noted that the entire process has also been independently audited by the firm of Adams, Jenkins, and Cheatham. He then described the registration process in the virtual format and the process for participating in the virtual meeting.

Mr. Payne stated each candidate provided a written statement about themselves and their platform, and each made a video prior to the meeting, which were placed on REC's website and were available in advance of the meeting. He then reminded members that those who registered received voting instructions via email and the online voting portal opened at 6:00pm. It will remain open until 7:30pm. Mr. Payne advised that projected election results will be available at the conclusion of the meeting, once certified, will be announced on REC's Web page at www.myrec.coop tomorrow. Mr. Payne called for officer reports; first Mr. Paulson for the Treasurer's report, followed by the Chairman's report.

A pre-recorded Treasurer's Report was played, where the Cooperative's Treasurer, Mr. Eric Paulson stated REC continued its tradition of strong financial performance in 2024. He reviewed charts and graphs to report revenue, expenses, and margins for 2024. Revenue in 2024 was 514 million dollars. 67.5 percent of revenue came from residential members; the remainder came from commercial members and a small amount from public buildings. Total expenses were 516 million dollars, up 9 million YOY primarily due to the increase in depreciation on assets and interest on short term borrowing. Cost of Power was 336.1 million. Total Margins are composed of Operating and Non-Operating Margins. Operating Margins in 2024 were \$4.8 million. Non-Operating Margins were 12.1 million dollars. Most of the non-operating margins are patronage capital from Old Dominion Electric Cooperative as well as interest income. Total Margins in 2024 were approximately 17 million dollars.

The presentation depicted sources of revenue, expense allocations, margins, and the allocation of capital credits. REC's equity remains strong and finished at \$458 million. He concluded his report informing the membership that the 2024 general retirement and retirements to estates totaled \$3.3 million. Since its formation in 1980, the Cooperative has

returned almost 155 million dollars to its members. Rappahannock Electric Cooperative completed 2024 in a strong financial position. For members wanting more information, he directed them to the website where audited financial statements can be found.

Chairman Shipe gave opening remarks. He thanked the REC employees for their dedication to the membership. He then conveyed to the membership that REC's board, management, and employees are active and involved members of their respective communities and keep the membership at the front of their minds as they consider various decisions. He reminded the membership of the importance of the democratic process that the Annual Meeting represents.

Chairman Shipe then addressed some areas of focus and accomplishment over the last year. He focused on connecting with members through the Power of Community Tour, and encouraged members to connect at an event soon. He highlighted several of REC's ongoing good governance practices, referring members to the website for more information.

Mr. Shipe closed by thanking the Board for their service and assured the membership that the Cooperative remains in good hands and that the Board and employees are taking great care to make decisions that are best for the future of the cooperative.

Attorney Payne then introduced REC President & CEO, John D. Hewa. He thanked the membership for supporting the cooperative and for engaging with the employees throughout the year. He thanked the employees for their dedication to the membership, often reporting after hours when the membership needs it most. He then recapped highlights from 2024, focused on taking care of the grid. Accountability, reliability and readiness have been key focus areas in the last year. In 2024, drone inspections, right of way clearing, hazard tree removal, and animal protections were all conducted to improve reliability. He discussed usage growth and the effects of extreme temperatures that have occurred so far this year and how that impacts members electric bills. Strong infrastructure is part of REC's readiness. REC employees connected nearly 4,000 new members in 2024. He then detailed REC's fiber growth and how that has connected members to broadband and also brought in revenue to offset costs.

Safe, reliable, affordable, and sustainable power is REC's top priority, and this will not change.

Mr. Hewa addressed ongoing economic development projects in the REC territory and how REC supports these projects in the counties that are seeking growth.

He detailed the current affiliate entities that are growing and expanding. BrilliT, REC's IT and cyber affiliate, is growing and providing services in 16 states. Vividly Brighter, is now offering in home wiring, and other electrical services. Hyperscale Energy Services, or HES, is now set up to provide power supply to large users such as data centers. Hyperscale Generation Service, or HGS, is now in the launch phase to position REC to address generation needs in the scenario where large users want to make a generation investment.

Mr. Hewa concluded his presentation with a forward look at what is coming in 2025 and beyond for REC.

Mr. Payne then called for unfinished business. There being none, he moved to new business. Mr. Payne explained how registered members can participate. Chairman Shipe and President Hewa responded to questions and comments from members in the session.

Mr. Payne then announced online voting session was closed. He shared the projected results of the director elections, noting that for Region I Mike Lindsey was selected, for Region VI Linda Gray was selected and for Region VII Mark Wood was selected. Mr. Payne then adjourned the meeting. Certified election results will be posted on Thursday, August 21, 2025 on www.myrec.coop. Thus, the meeting adjourned at 8:05 p.m.

The election results were received on August 21, 2025. The elected members are: Region I Michael Lindsay with 10,496 member designated votes, 5,556 member non-designated votes, and 9 votes of members in person totaling 16,061 votes. Region VI Linda Gray with 7,109 member designated, 5,255 member non-designated, and 6 votes of members in person totaling 12,370 votes. Region VII J. Mark Wood, with 10,548 member designated votes, 5,526 member non-designated, and 9 votes from members voting in person totaling 16,083.

J. Mark Wood, Secretary

Attest:

Christopher G. Shipe, Chairman